

Meeting: AUDIT COMMITTEE

Agenda Item:

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ANTI-FRAUD TEAM – COMPARATIVE DATA

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1 PURPOSE

This report summarises comparative performance data of the Anti-Fraud Team's performance during the financial year's 2006/07 and 2007/08.

2 RECOMMENDATIONS

The Committee considers this report including to note the performance of the Council's Anti-Fraud Team.

3 BACKGROUND

The Anti-Fraud Team

Partnership arrangements between Stevenage and Hertsmere Borough Councils for the provision of Anti-Fraud Services commenced in April 2004. The basis of the partnership is that a Partnership Anti-Fraud Manager (hosted by Stevenage) is responsible for the Anti-Fraud Teams at both sites.

The Anti-Fraud Partnership Manager, who reports to the Head of Finance at Stevenage, is responsible for:-

1 x Deputy Manager / Investigations Officer
2 x Investigations Officer

The Anti-Fraud Team has a statutory duty under the Social Security Act 1992 and the Fraud Act 1997 to ensure that the Council tackles fraud by putting measures in place to prevent, detect and deter fraud.

The Anti-Fraud Team has an important role in ensuring probity throughout the Council, particularly in Benefits and Housing-related matters. Predominately, the Team focuses its resources on investigating Benefit fraud, although its remit allows

for involvement in any potential type of fraud or corruption committed against the Council and to ensure that any investigation remains within current legislation.

The service also contributes to preventing fraud by raising employee awareness of the issues throughout the Council.

The Anti-Fraud Team has four main objectives:-

- To prevent instances of fraud, corruption and theft committed against the Council whether by members of the public, employees or contractors.
- To detect and investigate acts of fraud, corruption and theft committed against the Council by members of the public, employees and contractors.
- To prosecute, or take appropriate sanctions, against individuals who the Council believe have committed acts of fraud, corruption and theft against them.
- Continuing development of the Anti Fraud Service Partnership with Hertsmere Borough Council, establishing a blueprint for good practice and procedure.

The Stevenage Anti-Fraud Team has continued to work to a high standard over the last year and has achieved Best Value Performance Indicators (BVPI) targets in two of the top national quartiles.

The Council's Anti-Fraud Team has had two successful years of operations. Comparative figures for work undertaken are as follows:-

	06/07	07/08
• investigations	976	502
• fraudulent cases identified	91	84
• Formal Cautions issued	22	21
• Admin Penalties	7	15
• Summons issued	6	0
• Successful prosecutions	7	3
• Identified in fraudulent overpayments	£137,788.36	£249,899.34

Analysis of all work within Anti-Fraud between 2006/07 and 2007/08 is:-

	06/07	07/08
• Cases referred	871	603
• Cases investigated	494	460
Percentage of cases investigated	56.72%	76.29%
Fraud Identified	11.13%	11.47%

The figures show that the Team has received a lower number of referrals but it has not decreased its work; in actual fact investigations have increased by 19.57% in real terms. The reason is that the superfluous referrals are filtered out by the Benefits service.

	06/07	07/08
Fraudulent overpayment identified	£137,788.36	£249,899.94
Percentage of fraud overpayment	49.07%	44.4%

The level of overpayment identified has increased considerably during 2007/08 due to an increase in joint investigations with the Department of Works and Pensions; the team is currently involved in 8 pending prosecution cases.

The percentage of fraudulent customers sanctioned, prosecuted or pending sanction/prosecution where fraud has been found has decreased slightly from 94.34% in 2006/07 to 83.1% during 2007/08. This figure reflects the increase in publicity on all prosecutions acting as a deterrent to would be fraudsters and further publicity in the local area and in the national media.

All overpayments are in the process of being recovered by the Revenues and Benefits Service.

The Anti-Fraud Team's achievements are of significant benefit to the Council. Money from fraudulent benefit payments recovered is used by the Council to fund other activities.

The level of activity in preventing, investigating, detecting and prosecuting Benefit Fraud reflects a very successful year for the Partnership. All fraudulent overpayments are recoverable by the Housing Benefit Service.

The percentage of fraud found on all referrals is lower in 2007/08 than in 2006/07. Up to October 2007 the Team managed the DWP monthly datamatch submissions and this work has been reallocated to the Housing Benefits Section allowing the Fraud team to fully concentrate on investigation work.

4 REASONS FOR RECOMMENDED COURSE OF ACTIONS AND OTHER OPTIONS

Not applicable

5 IMPLICATIONS

5.1 Financial Implications

None identified

5.2 Legal Implications

None identified

5.3 Policy Implications

None identified

5.4 Planning Implications

Not applicable

5.5 Environmental Implications

Not applicable

BACKGROUND PAPERS

- No papers to be submitted due to data protection of subjects.

APPENDICES

Not applicable